

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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September 2, 2021

REC'D SEP 07 2021

Brandy Forbes, Community Development Director
City of Redondo Beach
415 Diamond Street, Door "2"
Redondo Beach, CA 90277

Dear Brandy Forbes:

RE: Review of the City of Redondo Beach's 6th Cycle (2021-2029) Draft Housing Element

Thank you for submitting the City of Redondo Beach's (City) draft housing element received for review on July 13, 2021, along with revisions received on August 19, 22, and 23, 2021. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by telephone conversations on August 5 and 10, 2021 with you, Planning Manager Sean Scully, and the City's consultant Veronica Tam. In addition, HCD considered comments from Grace Peng, Leonid Pustilnikov, Melissa Dagodag, Alisa Beeli, Diane Lewis, Rutan & Tucker, LLP; Abundant Housing LA and YIMBY Law pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). In particular, the element must be revised to demonstrate adequate sites and affirmatively furthering fair housing (AFFH). The enclosed Appendix describes these and other revisions needed to comply with State Housing Element Law.

To remain on an eight-year planning cycle, the City must adopt its housing element within 120 calendar days from the statutory due date of October 15, 2021 for Southern California Association of Governments (SCAG) localities. If adopted after this date, Government Code section 65588, subdivision (e)(4), requires the housing element be revised every four years until adopting at least two consecutive revisions by the statutory deadline. For more information on housing element adoption requirements, please visit HCD's website at: http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375_final100413.pdf.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes

the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf and http://opr.ca.gov/docs/Final_6.25.15.pdf.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City meets housing element requirements for these and other funding sources.

HCD appreciates the housing element team's hard work and dedication during HCD's review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Robin Huntley, of our staff, at Robin.Huntley@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Shannan West". The signature is written in a cursive, flowing style.

Shannan West
Land Use & Planning Unit Chief

Enclosure

**APPENDIX
CITY OF REDONDO BEACH**

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at <http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos.shtml>. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at <http://www.hcd.ca.gov/community-development/building-blocks/index.shtml> and includes the Government Code addressing State Housing Element Law and other resources.

A. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing (AFFH) in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction (Gov. Code, § 65583, subd. (c)(10)(A).)*

Integration and Segregation: The element includes some data on integration and segregation over time at the regional and local level. The element concludes the City's racial and ethnic composition differs from the region as "different racial/ethnic groups (also) tend to concentrate in different subregions" (p. 6) and the difference in income levels is due to "Redondo Beach's proximity to the coast/beach and more recent/new developments with much higher land values" (p. D-3). The comparison of segregation levels at the regional and local levels must be complemented by local knowledge and relevant factors supporting conclusions. For example, the analysis should incorporate local conditions such as community opposition to affordable housing, and the City's land use and zoning laws.

Site Inventory: The element must demonstrate the sites inventory AFFH. The element includes multiple maps showing sites are distributed throughout the City in high resource areas and that the City has no Racially and Ethnically Concentrated Areas of Poverty (R/ECAP). However, the element must include accompanying analysis to evaluate the site inventory's consistency with the City's obligation to AFFH. The site inventory analysis should address how the sites improve or exacerbate conditions relative to access to opportunity; segregation and integration; racially and ethnically concentrated areas of poverty and affluence; and disproportionate housing needs, including displacement risk based on local data, knowledge, and other relevant factors. For more information, see HCD's guidance at <https://www.hcd.ca.gov/community-development/affh/index.shtml#guidance>.

2. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

The City has a regional housing needs allocation (RHNA) of 2,490 housing units, of which 1,444 are for lower-income households. To address this need, the element relies on nonvacant sites which require rezoning to a Residential Overlay Area which in turn requires approval of the electorate. To demonstrate the adequacy of these sites and strategies to accommodate the City's RHNA, the element must include complete analyses:

Electronic Sites Inventory: Pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/community-development/housing-element/index.shtml#element> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

Suitability of Nonvacant Sites (North Tech District): Table B-2 of the element identifies five nonvacant sites on 14.26 acres within the North Tech District as sites for residential overlay zoning to accommodate over half of the City's RHNA shortfall for lower-income households. (Page 74 states seven parcels totaling 15.4 acres – please review and correct inconsistency.) The element includes only minimal analysis and description of the sites to establish their adequacy and concludes, "Existing conditions are ripe for redevelopment". However, the sites include uses by large national business chains such as Vons, Baskin Robbins, and Super Cuts as well as a premier motorcycle dealership, a large plumbing business, and multiple locally owned restaurants. Additionally, the "triangle" area of the North Tech District appears to be an isolated location that is bordered on two sides by Lawndale and on the third side by the 405 Freeway. Additional analysis is required to establish the adequacy of the sites and that existing uses do not preclude development within the planning period. If additional analysis does not establish the adequacy of the sites, the element will need to identify alternate sites for rezoning.

Small Sites: The element demonstrates a shortfall of 1,258 sites to accommodate the City's RHNA for lower-income housing and identifies multiple sites from the Preferred Land Use Plan anticipated to accommodate the shortfall (pending approval of the electorate). All sites accommodating a shortfall must meet the requirements of Government Code section 65583.2, subdivisions (h) and (i). One of these requirements is that each site must accommodate a minimum of 16 units. Several sites have capacity estimated under 16 units and do not meet this threshold. The element may utilize an aggregation of parcels to be a "site"; however, the element must include analysis to establish conditions on the sites are suitable for consolidation and development within the planning period. For example, the element should describe whether sites are contiguous and whether the owners or developers have expressed interest in (re)development. Absent the required analysis, the following sites/APNs are ineligible to accommodate any of the shortfall for lower-income RHNA:

- 7510030058;
- 4158010022;
- 4158011011;

- 4158011012;
- 4158011007;
- 4158011006;
- 4158011005;
- 4158012025; and
- 4158012024.

C. Housing Programs

1. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

As noted in Finding A2, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

The element demonstrates a shortfall of adequate sites to accommodate 1,258 units for lower-income households. Since the element does not identify adequate sites to accommodate the regional housing need for lower-income households, it must include a program to identify sites with appropriate zoning to accommodate the regional housing need within the planning period. (Gov. Code, § 65583.2, subd. (h) and (i).)

The program must commit to:

- Permit owner-occupied and rental multifamily uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. By-right means local government review must not require a conditional use permit, planned unit development permit, or other discretionary review or approval.
- Accommodate a minimum of 16 units per site.
- Require a minimum density of 20 units per acre; and
- At least 50 percent of the lower-income need must be accommodated on sites designated for residential use only or on sites zoned for mixed uses that accommodate all of the very low and low-income housing need, if those sites:
 - Allow 100 percent residential use, and
 - Require residential use occupy 50 percent of the total floor area of a mixed-use project.

For additional information, including timing requirements, see the *Building Blocks*’ at <http://www.hcd.ca.gov/community-development/building-blocks/program-requirements/identify-adequate-sites.shtml>.

Program 8 (Residential Sites Inventory and Monitoring of No Net Loss) includes reference to data presented in Tables H-43 (Summary of Sites Strategy), B-1 (RHNA Sites Not Requiring Rezoning), and B-2 (RHNA Sites Requiring Rezoning). HCD advises the City to review the data and confirm consistency between data cited in the program and in the tables. Also be advised that any zoning actions required pursuant to No Net Loss Law that replaces a site that was rezoned to accommodate a RHNA shortfall must also meet the requirements of Government Code section 65583.2, subdivisions (h) and (i). Additional information is available in HCD’s No Net Loss technical assistance memo at <https://hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb-166-final.pdf>.

2. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)*

Program 13 (Amendments to the Zoning Ordinance) includes an action to “amend the parking standards to reduce the burden on smaller units, including adjusting the number and type of parking spaces required”. However, existing parking requirements are a constraint to the development of all multifamily units, not just smaller units. Therefore, the program should be revised to amend the parking standards for all multifamily development, not just for a subset of smaller units.

Program 14 (Objective Design Standards) should be revised, or an additional program added, to explicitly commit to establishing objective design standards for the four overlay residential districts (North Kingsdale, North Tech District, 190th Street, and Industrial Flex – South of Transit Center) by a specific date. The standards must accommodate development at the maximum densities allowed in each zone without assuming use of the concessions, incentives, or waivers allowed pursuant to State Density Bonus Law (Gov. Code, § 65915).

Program 15 (Monitoring the Effect of Article 27 of the City Charter (Measure DD)) should be revised to identify the relationship between the approval of the electorate on the November 2022 ballot measure and continued housing element compliance. The element currently demonstrates a shortfall of sites to accommodate its RHNA for lower-income households. The zoning actions required to provide sufficient adequate sites are contingent upon approval of the Preferred Land Use Plan by the electorate. The element should acknowledge that if the electorate rejects the ballot measure, the City must take additional action to retain housing element compliance.

The element describes typical fees for multifamily units to exceed typical fees for single-family units by over \$10,000 per unit (p. 52). This is a potential constraint to multifamily development. The element should include a program to analyze why this occurs and include actions to mitigate the effects.

The element describes single-family development is an allowed use in various zones intended to accommodate multifamily development and concludes the high cost of land precludes single-family development in multifamily zones. The element should include a program to monitor development in multifamily zones and implement mitigation measures, as needed.

3. *Promote AFFH opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)*

Program 15 (Fair Housing Program) includes a list of contributing factors and their priority as well as specific program actions. However, many contributing factors have no associated program actions – for example, lack of a variety of media inputs; lack of accessibility to draft documents; lack of digital access; and lack of accessible forums. The program should be revised to ensure all contributing factors have associated actions the City will implement. For example, the element could include proactive actions such as bilingual and multimedia outreach; making information available on the City’s website; and a commitment to effective communication.

While Program 15 includes actions for outreach and enforcement, segregation and integration, and disproportionate housing needs, it should be revised to also include actions to promote mobility and access to opportunity.

Additionally, Program 15 should be revised to replace non-committal language such as “if feasible”, “assess the feasibility of”, or “assess” with language that commits to follow-up actions. The program must include specific timeframes for action and provide quantifiable description of actions to objectively measure for successful outcomes.

4. *The housing program shall preserve for low-income household the assisted housing developments identified pursuant to paragraph (9) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (9) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance. (Gov. Code, § 65583, subd. (c)(6).)*

The element describes Seasons Senior Apartments as having a high likelihood of converting to market rate in 2025. As such, Program 2 (Preservation of Affordable Housing) should be revised to include actions specific to Seasons Senior Apartments. For example, the element could commit to proactively reaching out to the owner and property manager to provide education and ensure understanding of their obligations under preservation law. (Gov. Code, §§ 65863.10, 65863.11, and 65863.13.) For more information, see HCD's webpage at <https://hcd.ca.gov/policy-research/preserving-existing-affordable-housing.shtml>.

5. *Develop a plan that incentivizes and promotes the creation of accessory dwelling units (ADUs) that can be offered at affordable rent, as defined in Section 50053 of the Health and Safety Code, for very low, low-, or moderate-income households. For purposes of this paragraph, "accessory dwelling units" has the same meaning as "accessory dwelling unit" as defined in paragraph (4) of subdivision (i) of Section 65852.2. (Gov. Code, § 65583, subd. (c)(7).)*

The element is required to include a program that incentivizes or promotes ADU development specifically for very low-, low-, and moderate-income households. This can take the form of flexible zoning requirements, development standards, or processing and fee incentives that facilitate the creation of ADUs, such as reduced parking requirements, fee waivers and more. Other strategies could include developing information packets to market ADU construction, targeted advertising of ADU development opportunities or establishing an ADU specialist within the planning department. While Program 12 (Accessory Dwelling Units) includes some actions to promote ADUs, it must be revised to include specific actions to the development of affordable ADUs.

E. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort. (Gov. Code, § 65583, subd. (c)(8).)

HCD understands the City made the element available to the public less than a week prior to its submittal to HCD. By not providing an opportunity for the public to review and comment on a draft of the element in advance of submission, the City has not yet complied with statutory mandates to make a diligent effort to encourage the public participation in the development of the element and it reduces HCD's ability to consider public comments during its review. The availability of the document to the public and opportunity for public comment prior to submittal to HCD is essential to the public process and HCD's review. The City must proactively make future revisions available to the public, including any commenters, prior to submitting any revisions to HCD and diligently consider and address comments, including revising the document where appropriate. HCD's future review will consider the extent to which the revised element demonstrates how the City solicited, considered, and addressed public comments in the element. The City's consideration of public comments must not be limited by HCD's findings in this review letter.